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RESERVE APPROPRIATIONS

SPEAKER:

U.S. SENATOR TED STEVENS (R-AK), CHAIRMAN

LOCATION: WASHINGTON, D.C.

WITNESSES:

LIEUTENANT GENERAL H. STEVEN BLUM, ARNG, CHIEF, NATIONAL GUARD BUREAU LIEUTENANT GENERAL ROGER SCHULTZ, ARNG, DIRECTOR, ARMY NATIONAL GUARD LIEUTENANT GENERAL DANIEL JAMES, ANG, DIRECTOR, AIR NATIONAL GUARD LIEUTENANT GENERAL JAMES HELMY, USAR, CHIEF, ARMY RESERVE VICE ADMIRAL JOHN TOTUSHEK, USNR, CHIEF, NAVAL RESERVE LIEUTENANT GENERAL DENNIS MCCARTHY, USMCR, CHIEF, MARINE FORCES RESERVE LIEUTENANT GENERAL JAMES SHERRARD III, USAFR, CHIEF, AIR FORCE RESERVE

BODY:

U.S. SENATE COMMITTEE ON APPROPRIATIONS: SUBCOMMITTEE ON DEFENSE HOLDS A HEARING ON FY 2004 NATIONAL GUARD AND RESERVE BUDGETS

MAY 7, 2003

SPEAKERS:

U.S. SENATOR TED STEVENS (R-AK)

CHAIRMAN

U.S. SENATOR THAD COCHRAN (R-MS)

U.S. SENATOR ARLEN SPECTER (R-PA)

U.S. SENATOR PETE V. DOMENICI (R-NM)

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U.S. SENATOR KAY BAILEY HUTCHISON (R-TX)

U.S. SENATOR CONRAD BURNS (R-MT)

U.S. SENATOR DANIEL K. INOUYE (D-HI)

RANKING MEMBER

U.S. SENATOR ERNEST F. HOLLINGS (D-SC)

U.S. SENATOR ROBERT C. BYRD (D-WV)

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U.S. SENATOR TOM HARKIN (D-IA)

U.S. SENATOR BYRON DORGAN (D-ND)

U.S. SENATOR RICHARD DURBIN (D-IL)

U.S. SENATOR HARRY REID (D-NV)

U.S. SENATOR DIANNE FEINSTEIN (D-CA)

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STEVENS: We welcome you, General — all of the generals.

I want to tell you one of the reasons I'm late — I just had a little demonstration session up on the ninth floor with the Special Operations Acquisition and Resistance (ph) Center. It's extremely interesting. They have brought to show to us here, in the Senate, a whole series of devices that were really created in demand to situations that developed in Iraq. And it's just a wonderful, wonderful demonstration of the ingenuity of American service people. It's just — they have just adapted to the need and developed the — even a device to go down into a well — they devised — they saw the problem and devised the answer and produced — and the result in four hours. And now they can look right down to the bottom of the wells and see if they've hidden anything down at the bottom of wells. That's what they were told — very interesting.

So I'm sorry to be a long - I was on the phone telling other Senators to get up there and see it before they move it. They're not going to be there very long - 10:30.

General, we welcome you to our hearing. And I thank you for stopping by to visit with us yesterday.

We've got two panels scheduled today. First, we're going to hear from the National Guard leadership, followed by the leaders of the four Reserve forces. On our — on our first panel, obviously, Lieutenant General Steven Blum, Chief of the National Guard Bureau; Lieutenant General Roger Schultz, director of the Army National Guard; and Lieutenant General Daniel James, director of the Air National Guard.

General Blum, General James, we welcome you to your first hearing before this subcommittee and look forward to working with you throughout your assignments.

And, General Schultz, it's nice to have you back with us today.

Let me yield to my friend from Hawaii, our co-chairman and see if he has any comments to make.

INOUYE: Mr. Chairman, I thank you very much. First, I want to commend you on that show on the ninth floor. It's something that all of us should see. And I wish to join you in welcoming all of the generals this morning — General Schultz, General Blum and General James.

May I request that the full statement be made part of the record? Unfortunately at quarter to 11, Mr. Chairman, I will have to leave. I have to get to our favorite place — Walter Reed — for a function.

STEVENS: But I would be pleased to yield to you, Senator.

Any other Senator have an opening statement?

COCHRAN: Mr. Chairman, I would just like to welcome our witnesses with you and Senator Inouye and commend them for the leadership they have given in this time of real test for the men and women who serve in the National Guard. It's been very impressive. They've been involved in every spectrum of national defense, from combat operations to rear guard. And they've achieved conspicuous success.

And we appreciate very much your leadership.

STEVENS: Senator, do you have any opening statement?

DORGAN: Mr. Chairman, just to echo your thanks to the Guard and Reserve. In North Dakota over a third of the members of our Guard and Reserve have been deployed. And I want to ask some questions about that.

But I am enormously proud of our citizen soldiers and what they have done for this country. And I thank you for appearing today.

STEVENS: Senator Domenici?

Happy birthday, Senator Domenici.

(LAUGHTER)

Judge Burns, do you have any comments to make?

BURNS: I have a statement, Mr. Chairman. Thank you for this hearing. And I'll submit it and look forward to hearing from the witnesses.

STEVENS: Senator Domenici?

DOMENICI: I have no statement.

But I do want to take this occasion to join with all of you in thanking the National Guard and the Reserve for the great service. And then particularly those from New Mexico. New Mexico has had a very, very large contingency at every level. They've done a marvelous job.

And we thank you for the leadership you provide for them.

Thank you.

STEVENS: Pleasure to serve on this committee with such a young man, Senator.

(LAUGHTER)

DOMENICI: Am I the youngest?

(LAUGHTER)

STEVENS: Oh, no, I must be slightly...

(LAUGHTER)

... no, no.

Gentlemen, I remarked to General Blum yesterday that we had just witnessed the real absolute success in Senator Stennis' policy with regard — which really ultimately led to the total force concept. But when he initiated the concept of trying to get the Guard and Reserve really into active duty formations and have their training with the active duty formations in Europe, I think he started something that we will — we will live with for the rest of our military service people [SIC]. That — the concept of total integration, as Senator Burns has said, has just absolutely been demonstrated in Iraq.

So we welcome you and we welcome your statement.

We'll put all of your statements in the record in full. And you make such statements as you wish.

General Blum?

BLUM: Mr. Chairman, members of the committee, good morning.

Thank you for allowing us this opportunity to address you this morning on what we consider to be a national treasure—the National Guard of the United States. And you are all very correct, each and every one of the states that you represent and every state in our Union and four territories has soldiers right now in 84 countries around the world prosecuting the global war on terrorism and defending our homeland simultaneously. And we have not dropped a single mission enable—in order to do that. And we still have a fairly robust capability available to the governors to respond for state emergencies, as you have seen happen, unfortunately, in the last few days.

On a personal note, I would like to thank each and every one of you for your solid strong support of my nomination. I will — intend to lead the National Guard Bureau in a manner that will fully justify your confidence in that nomination and this confidence that you have placed in me.

I think the National Guard has assembled a superb leadership team with Lieutenant General Roger Schultz and Lieutenant General Danny James, who will — might ably assist me. With their vast experience and wide and varying backgrounds, I think we have put together a leadership team that will deliver to this nation the kind of defense and security that they have come to expect from our Army and Air National Guard.

We will also fulfill our obligation as the channel of communications between the secretaries and the services in the several states of the United States — the governors and their adjutants general.

We will be one National Guard Bureau. We will be unified in our effort. We will be agents of change. We are very proud of our past, but we are more interested in our future. And we need to make sure that the National Guard of the United States is ready to provide the kind of security to our nation and its citizens for future generations that past generations and the present generation has come to accept as the standard of excellence.

So, toward that end, we will have the following priorities — first and foremost, it has always been and is today and will always be our number one priority to defend the homeland of the United States of America. It is our oldest mission, but with today's realities and new emerging threats, this takes on even a more significant meaning than it did only two years ago.

We will, at the same time, support the global war on terrorism, which we view as an extension of homeland defense. We see it as an away game on defending our homeland. We will take the fight to the enemy anywhere in the world and we would hope that we could keep that off of the — of the homeland in the United States of America.

And in order to do these things, we're going to have to change and transform the National Guard Bureau, the headquarters of the National Guard in the various several states. And some of the units and functions and organizations will need some re-balancing and re-visiting so that we are not curators of a historical re-enactment group, but prepared for current threats and future threats that may face our nation.

Both General Schultz and General James will now offer some brief comments, after which we would welcome your questions.

But I want to take this last opportunity now to thank you, once again, for the magnificent opportunity to appear before this committee.

Thank you.

STEVENS: General Schultz and Senator (sic) James, I would like to yield to Senator Inouye for any questions he might have. He's going to leave here at nine — 10:45 to go to an important meeting. And I thought perhaps he might have some comments or questions to make before he left. I hope you'll agree.

STEVENS: Sir?

INOUYE: The strain on Reserve forces may also determine (ph) the skills needed for duty and you are compared to a number of active duty forces with these skills. What are the top skill groups for those who have been mobilized in Iraq thus far?

And the other question I have is that I understand that the Guard will be providing personnel to help Air Force meet its increased force protection. And in the FY '04 budget, the Army itself will be experiencing a 53 percent increase in force protection requirements. Do you have enough to take care of your force protection, in addition to the Air Force?

BLUM: Sir, let me answer those questions in turn, if I may.

The — and General Schultz, you can come in there any time.

And General James, you can come in any time you think it would be helpful.

Sir, the skills sets — if I understood the question correctly, you wanted to know what skill sets were required in the Iraq — it is across the full spectrum — everything from Special Operations, which you just — the kind of innovation that you just saw up on the ninth floor and the — and the unconventional approach to dealing with the combat in Iraq. We have significant Special Operation forces over there, both in Special Forces, psychological operations as the United States Army Reserve and Civil Affairs.

But, in addition, we have infantry on the ground over there - combat support units and combat service supports of

every stripe and color. And so it's — there is nothing specific. It is full spectrum across the board combat formations that were called upon by the combatant commander that we provided from the National Guard.

Back here at home, it's a little bit different. They mostly have been security forces for critical infrastructure protection and the amazing work that the civil support teams were able to provide, almost on a daily basis, to keep your — the populations calm that we were not under an attack by any chemical or biological agent from a foreign nation. The very fact that they were able to test and sample and verify that these — that these samplings were not something lethal or threatening to our population has helped — a very calming influence.

And I think that the soldiers and airmen that we have had doing critical infrastructure protection — nearly every state in this nation have served as a significant deterrent and have probably prevented any disruption of our mobilization process, our ability to project forces abroad and to attack our citizenry or our ability to provide good government here at home.

I hope that addresses your question. If not, please press me a bit.

SCHULTZ: Senator, if I could help with a piece of that answer from the Army Guard point of view — we have 24,000 soldiers from the Army Guard in Central Command duty today. a primary duty is going to be, obviously, in the support-related fields — the military police, perhaps chemical, perhaps medical, perhaps engineer. That's kind of the skills that are going to be required more so even now as the mission changes in theater.

We're working today with the leadership in the Central Command, land component command, to figure out what kind of units, how long they need to stay and do we have the right mix.

Now, specifically to your point, we're short military police in the Army — in the Guard. And we're going through the acquisition process of acquiring more. And we can use more military police here, in the homeland, as well.

So today in the homeland, we have over 16,000 soldiers securing critical facilities — 8,100 of those members are securing Air Force bases. And the money, in the case of the Army Guard is coming by way of the Air Force. So that's an Air Force budget line item. We think that will be a two-year mission. So we're in the first year of that mission, standing by for a second.

So security police in the Air Force, military police in the Army — we're short those kind of forces today.

INOUYE: And what are you doing about that?

SCHULTZ: We're actually — we're actually going through the process of finding units — turning in units — buying more military police units, if I could explain it that way. We're going through the acquisition process right now, today — acquiring more MP units in the Guard.

INOUYE: Thank you — thank you very much.

Thank you, Mr. Chairman.

STEVENS: Yes, sir.

General Schultz?

SCHULTZ: Thanks, Mr. Chairman.

Distinguished committee members, we say thanks for allowing us to be here today and for your ongoing support for our first priority — our soldiers.

I would like, Mr. Chairman, to introduce Command Sergeant Major Frank Lever (ph). He's senior enlisted soldier in the Air National Guard. He's the person with me that has the honor of looking after our members across this nation.

Mr. Chairman, our members have met and satisfied every mission asked from the homeland through the deployed theaters. And it's a accomplishment that we are most proud of.

You think about the Guard today, we have over 78,000 soldiers deployed. And, obviously, we talk about the strength of who we are — it's our first priority would be the members in our formations.

Now, today, in a special way that also means our families. And then, as you think about our missions since September 11, 2001 — just a couple years ago — we, obviously, have had tremendous support from our employers. And it's that team that makes what we are doing today possible.

Mr. Chairman, we say to you, for your ongoing support, thanks.

JAMES: Mr. Chairman, members of the committee, I also would like to add my thanks, as my colleagues have, for the support of this committee and the opportunity to speak to you today on behalf of our Air National Guard.

Like our Army counterparts, our Air National Guard has been very, very busy. Around the world and here at home we have approximately 22,000 airmen mobilized at this time, with another 1,100 volunteers added to that figure. Some have been mobilized for almost two years.

Currently 55 percent of the National Guard — the Air National Guard is performing some type of full-time duty when you add in the full-time force. In Operation Noble Eagle, that's the defense of the homeland and air sovereignty mission, we're supplying 75 percent of the fighter force and half of the tanker sorties this past fiscal year.

As you've noted, though, the Air National Guard is not a stay-at-home force. We, too, have been deployed around the globe. As of the end of March, we flew 64 percent of the fighter sorties supporting the air expeditionary force; 48 percent of the airlift sorties and during that same time, we flew almost one-quarter of both fighter and tanker sorties for Operation Enduring Freedom.

We've had significant contributions to Operation Iraqi Freedom. And to answer part of your question from the air side, Senator Inouye, we experienced some high density — excuse me — high frequency, low density specialties in fire fighters and also in security forces.

But we are, in fact, total force partners with our great Reserve counterparts and our active duty. National Guard flew 43 percent of the fighter sorties — an amazing 86 percent of the tanker sorties in Iraqi Freedom.

This committee is directly responsible for our ability to participate in these operations and do our mission because you have provided the resources for us in areas like targeting pods (ph) and funds for our miscellaneous agree (ph) account. You've helped to make us a part — a very relevant, important part, of the total force.

And Mr. Chairman, and members of the committee, we are very grateful for that support.

In closing, I would just like to say that in the future, we, too, are looking to transform. I have developed a concept called Vanguard (ph) that will enable us to transform the Air National Guard into a force of the future. We also are looking forward to participating in the new weapons systems, such as the C-17 and the FA-22, the Joint Strike Fighter and, hopefully, the KC-767. We've been strong in support for the release of this aircraft that will allow us to replace our aging KC-135E models with our models and maybe even participate in KC-767 aircraft in some of the selected Guard units.

Again, thank you for the opportunity.

STEVENS: We're grateful to you for those statements. And, as you've said — each of you — this committee's been very supportive.

But we're getting questions at home now and I wonder if we're getting to the point where we're burning the candle at both ends. But before we went into Iraq, we already had 50,000 reservists and — called up — mobilized for the global war on terrorism. We mobilized more during the war. And, as you said, General James, some of them have been mobilized for the best part of two years, now. That gets beyond the role of citizen soldier that's there in the event of emergency.

And I'd like to have your comments on where we're going. When you add that to the department's request that we merge your accounts into a single account now and we wonder what's happening as far as the future of the — identity of the Army Guard, the Air Force Guard and the Reserves as separate entities. Would you comment on those situations, General Blum?

BLUM: Yes, Mr. Chairman.

First on the identities — the Constitution will guarantee — unless we change the Constitution, we will not lose the identity of the National Guard of the United States because of their dual mission status, unique among the other Reserve components.

As far as the operational tempo and the overuse of our National Guard citizen soldiers, I think it's a little too early to tell just yet on what those trends will bring on — in the long term. Certainly there are anecdotal episodes or evidences that all of us can quote where it is less than a desirable condition and where there are great hardships on families and

significant interruptions, particularly to small businesses when you pull key people out or key people in a community that are responsible for either law enforcement or emergency services.

But what we have done is set up procedures whereby the adjutants general of each state can make corrections and modifications and substitutions so that we don't do something that is — that does not pass the common sense test when it's closely examined the next day when mobilizing Guardsmen.

The information, so far, that we have received is relatively positive, in spite of this increased use. The propensity to serve in these young men and women is extraordinary. They — remember, they volunteered to serve their nation. And they volunteered to be members of the Army and Air National Guard and they are proud to respond when their nation needs them.

I think what we need to do now is pay very close attention to how — to the process that we follow when we demobilize these young men and women and return them back to their civilian jobs and their families. That will play an important part — how we do that will be very important to whether they make a decision to stay with us long term.

STEVENS: Well, should Congress consider putting a limitation on the amount of time that a guardsman — person in the Guard or Reserve can be compelled to serve in any one year?

We have situations where — we've all been contacted, I'm certain — I have — by small business people — by persons who ran support facilities for clinics in terms of medical supply units. And they have been called up and, as you say, they are ready to serve and they did volunteer. But I'm not sure they volunteered to become a regular member of the service — to be — they are compelled to stay once they are called up for as long as their — the commander in chief wants them to stay.

And I think there ought to be some sort of a contract with these citizen soldiers that they will not be called up more than a certain amount of time in any one year unless there's a declaration of war.

And we've gone through a series of situations now in the last 20 years where we've had these problems — more than 20 years really without a declaration of war, all the way back to Korea. And when you think of number of people that have been called up and their lives have been just completely changed, I think it's time for us to take a look at it.

It may not be this committee, but it — we do have before us, however, the thing that bothers me and that is this concept of the consolidation of personnel accounts into a single active personnel appropriations for each service. In other words, you won't be getting money from the Guard, directly, you'll be getting money as part of the Army's appropriation and Air Force appropriation.

And eventually that would lead to less control for the commanding general of the National Guard.

I don't think I'm going to embarrass you by asking you what you think of that because you're in uniform and you must respond to the direction of the strain (ph) and authorities that's in your departments. But this direction worries me, as a Senator. And I don't know about others — what they think.

But I believe we should do everything we can to encourage an enormous number of young men and women to join the Guard and Reserve, particularly those that have had any service before. And they are a ready Reserve. They are really a magnificent force in the total force concept.

But I think we have — we have offended the — against some of them now and changed their lives and put some of them into bankruptcy. And we've got a job to do to try and straighten that out, in my opinion.

I don't know if you want to make any comments about it, as I said, but it's not right, General. It's not right that someone joins the Guard and Reserve and thinks they'll be called up in the event of real war — or be called up on a — on a semi-permanent basis.

Have you got any orders yet to release any of these people?

BLUM: Well, sir, you — Mr. Chairman, you've thrown a couple of questions at me at once, here, let me try to sort these...

STEVENS: (OFF-MIKE)

BLUM: ... let me try to sort these out.

First, on the — on are we abusing the soldiers in how often and how long they are called up for, again, I say there are anecdotal evidences that can be — that each one of your constituents can articulate where that was probably the case.

I — what I would argue for here — or urge the committee to do is to give the leadership of the Guard the maximum flexibility to manage the force. If we — if we are given the flexibility, we have a robust capability — over 50 percent, even with all of the things we have talked about here today, we still have a pretty robust capability remaining on the shelf for — that we can dip into and substitute and plug-and-play, so to speak...

(LAUGHTER)

... capabilities and special skill sets that are needed so that we don't have to abuse the same citizen soldier over and over.

But we must retain that flexibility to do that. And I would urge this committee to make sure that the leadership that's represented here in all of the seven Reserve components have — keep a — have the authority to have some flexibility in that process.

If we do that, I think we can mitigate much of what you're talking about. But as I stated earlier, it is still too soon for me to tell you definitively we don't have any real trend evidence that says that this is going to cause us a long-term retention problem or a long-term recruiting problem. And so far, we have — we — it's been quite the opposite in terms of satisfaction and the feeling that they did something worthwhile for their country when they came back off of service. And in most cases, they have assimilated back into their civilian jobs and their families quite well.

On the other issue about the consolidation of pay accounts, you are quite right. I can't comment on that for really two reasons. One is it's a DOD policy and as — that I would support the policy. But, however, I can't even tell you that today because I have not seen the implementing instructions for that consolidation.

So, as you well know, the devil may well be in the details of that and we have not seen those yet. So I don't know enough about that consolidation initiative to tell you whether that's a good thing or a bad thing for us here today.

STEVENS: Thank you.

(UNKNOWN): Mr. Chairman, could I just mention something? Senator Bond and I are the co-chairs of the National Guard Caucus and we have sent a letter, actually signed by a number of members of this committee, to Senator Warner, Senator Levin...

STEVENS: Push your button down, will you?

(UNKNOWN): ... we sent a letter to Senator Warner, Senator Levin and yourselves and Senator Inouye expressing the same concerns that you have — you have just raised — that it's a — Senator Bond and I made sure it was a very bipartisan letter, but it is — it is coming your way. And it expresses the same concerns you've just expressed.

STEVENS: OK. Thank you very much.

Senator Burns was first under the early bird rule. You went upstairs, I understand, to see the exhibits, so we'll count that as being present.

(LAUGHTER)

BURNS: I was up there — I've already been up there.

I'm really getting a little late down here.

I guess the chairman raised a very important question here. And what we hear out in my state of Montana, not only are we getting some pressures from the employers, but we're also getting some pressures from the self-employed. If you take — in my state, it has an agricultural base — you've got a young man that's probably had previous active duty, wants to maintain his edge, wants to serve and also does it in a — in a — in sort of a way that he makes a little extra money on the side and doesn't mind that at all and will spend the extra time in training. But there also are times when the crop's got to go in and when it's got to come out. And he's also charged with paying for that farm. And that's — and that's a tough enough thing now-a-days all by itself.

So I would — I'm going to follow this issue very closely.

And also, we recruited some people into the Guard that had special talents, education, skills to fill some of our needs. And I will tell you that all you had to do was go up in 902 and take a look at the — at the new toys that we've got now — that's worked very well in the range of high tech. So the people that we're recruiting are really highly skilled people in the — in the private sector.

And, there again, there is — they've got a responsibility there and they go out — but I'd say that most of them want to stay trained.

I am — General James, I thank you very much for the support of our Air Guard in Montana. We're very proud of our Air Guard up there. We have upgraded now to block 30s, as you well know. And they perform very well.

And we're very proud of those and we appreciate your leadership — and all of you understanding these problems — but we've got to start, as the chairman says, we've got to start somewhere in coming up with a master plan on how we're going to help these people either survive in the — in the — in the private sector and still rely upon their skills and their talents in time of an emergency.

I think they — when they join the Guard, they didn't mind a short deployment or to hone (ph) their skills or to even go and be away forever on a declared war in the defense of this country because they are motivated in that direction. They are highly motivated people, we find. And — but nonetheless — and that's — and that's a different circumstance. And we all understand that.

But I would — I'm going to follow this issue very closely. But I think somebody has got to come up with a plan — a Plan B, so to speak, in the event that we get into a situation as we face today.

And by the way, I want to iterate that in the Iraqi operation our warriors — all kidding aside — was the best ambassadors we had on the ground over there. And the way they performed — not only in their skills, but also in their mission — but also that extra little bit it takes to establish a relationship with the people of Iraq. And that was truly very sensitive areas and it was also noticed by a lot of folks in this country as being gentlemen and gentleladies of a very special force. So we appreciate that very much.

And thank you, Mr. Chairman.

STEVENS: Senator Dorgan?

DORGAN: Mr. Chairman, thank you.

Let me say that I agree with all of the expressions by the chairman. I think that — I may be wrong, but I think there could be recruitment and retention issues in the future unless we address this issue.

The men and women who serve don't complain, do so willingly and are enormously proud of doing so. But let me just give you an example — the 142nd in Wahpeton, North Dakota, Engineer Battalion — they were deployed to Kuwait. They spent six months on deployment, four of that in Kuwait, came back for about 12 months and then were deployed on — excuse me — they were deployed to Kosovo first, came back, another 12 months deployed now to Kuwait. And they — 700 members of the 142nd were alerted on January 20, mobilized on the 24th — four days later — and two days after that, they began moving their trucks from North Dakota to Fort Carson.

I know normally there is a 30 to 60-day warning before deployment and that's what the Army would like to do. But in this case, it was just a matter of a couple of days.

So I think these issues are important and I — as I say, these are not complainers. They are proud to serve their country. But I think we should address the issues the chairman mentioned.

I would like to ask, more specifically, a question I don't think, General Blum, you answered when the chairman asked it — tell me about demobilization. If there are not now specific plans for beginning to demobilize, who will make that — those plans? And when will they make them?

And I ask that, I think, on behalf of the families and the employers and others. What do you expect with respect to the demobilization of these units that have been sent overseas at this point?

BLUM: Senator, there are, in fact, plans being formulated as we speak for the demobilization of National Guard soldiers and Airmen that were called up for duty. There is — I wish I could give you a simple rule of thumb as to how they are doing that — last in, last out — first in, first out. It, unfortunately, doesn't work that way, as nicely as we would like

because the — they did not follow a normal troop sequencing procedure when — in the way they called up our units.

We are in an extraordinary time, as you're well aware -9/11, then no one foresaw we were going into prosecute a war in Afghanistan and then very quickly prosecute a war in Iraq. We provide military capability when called upon and we did not make those plans, we respond to those plans.

The demobilization will — here are our concerns — that we get people off of active duty as quickly as they are not absolutely needed there. These people — these great Americans that you have all talked about — do not mind, for the most part, interrupting their lives to serve their nation. But they want to do something meaningful.

There are many people right now that are in various stages in the pipeline of going and coming out of there. And we are trying to sort that out so that we don't abuse this precious resource — our citizen soldiers in that — in that process.

DORGAN: But how much notice might you give for a demobilization? And what — when can families and employees — employers and others expect some basic notion of whether this unit will be — continue to be mobilized for another six months or a year or whether perhaps within three months that mobilization will be over?

BLUM: We are hoping to sort this out in short order. As soon as we have that information, we share that immediately with the local commander — in this case, the adjutant general of the state. And then it immediately goes to the family support group and employers within a matter of hours and days.

So we understand the angst that it causes — the uncertainty really creates some frustration and some tensions in the — in the — in employer support and with the family support piece. We are very concerned about this.

I hope you didn't take my answer to mean that we are not concerned about the issues the chairman brought up. We are watching this very carefully and we are advocating for the soldiers. Unfortunately, we — the general officers represented here today do not control that process.

DORGAN: Let me mention one other thing and then ask General James a question.

I met with a large group of families recently — two big concerns — one is mail and the second is telephone contact. And I know — I'm sure you're working hard to try to resolve those issues, but it is critical to the families. To be able to communicate is just a critical connection. They are very proud of their loved ones serving. They weren't complaining to me — they were just asking for the opportunity to have the Defense Department provide better communications — better movement of mail.

And I know in staging areas sometimes that's very hard, but I just wanted to pass that on to you — that was their concern.

General James, you know the Happy Hooligans or the Air National Guard in Fargo, North Dakota, have three times won the William Tell Award — the award for the best fighter pilots in the world and the best pilots fly the oldest airplanes, which is incongruous to me. And you and I have talked about this at great length. They fly Block As — the only operational unit I the country still flying them. It needs to be remedied.

You and I have talked many times. Are we any closer to a solution to that?

JAMES: Not currently. The hold that was put on the decision that I had to make about equipping (ph) Fargo was generated by the fact that on re-look (ph) the active component who supplies us with our equipment — our aircraft are relooking the need for any more offensive counter air or air sovereignty resources going to the Guard in the F-15.

As you know — as we have talked before, the F-15 — one squadron was identified. The Guard was approached about taking that squadron and then that squadron was to be activated and put either in Fresno or Fargo.

And so either case, it would have generated an upgrade in your equipment. When the decision was put on hold, we were still looking at some possible alternatives. I've asked my staff to look at even the possibility of looking at other alternatives. And right now we don't have anything — I cannot give you a positive answer on that.

DORGAN: Well, Mr. Chairman, on 9/11 when the Pentagon was hit, the first jet fighters flying air cover over the nation's Capitol were the F-16s and the Happy Hooligans, flying out of Langley. They were the first mobilized. They are a wonderful crew. As I indicated, these are people who run drug stores and family farms and mechanics. And the fact is they have gone out three times and won the William Tell Award against the best pilots and the best equipment in the world, beating all of the Air Force and everybody else.

And the fact is they have been shortchanged here with respect to these planes. They are flying F-16s that are out of time. The cost to maintain them — and do it — but the cost to maintain them is incredibly high. And I've heard the same answer about these issues for the last three — four years.

And General, we've got to try to resolve the issue with these planes. I've — you and I need to meet again and I guess I need to meet with the Air Force chief of staff, as well. But year after year after year we get the same answer with respect to these Block As.

DORGAN: Senator Burn just talked about their Block Cs. And I mean, we have a lot of wonderful people — a lot of missions a lot of great units around the country, but this one begs for a solution and it hasn't been forthcoming. And I hope I can count on you to do what we ought to do for one of the best units in this country.

JAMES: We're trying to come up with some solution because it's unconscionable to have a unit that good flying airplanes that old and still say — tout ourselves as a important member of the total force.

And I will — this is one of my top priorities, Senator. And we'll talk about it more.

I have an out-of-the-box kind of solution that I've had my folks put the pencil to and try to see if it's feasible. I don't know that it's going to be acceptable to the Air Force, but we're going to look at something that's quite different in a way of getting some new airplanes.

DORGAN: General, I like out-of-the-box solutions.

(LAUGHTER)

As long as they are solutions, I like them.

JAMES: OK.

DORGAN: So this begs for a solution — I appreciate your willingness to put it at the top of your list.

Mr. Chairman, thank you.

STEVENS: Senator Cochran?

COCHRAN: Mr. Chairman, thank you.

Thank you, members of our panel, for being here today and helping us understand the implications of the budget request that's being submitted on behalf of the National Guard.

We appreciate very much, as I said in my opening statement, the leadership you have provided in the mobilization as a part of Iraqi Freedom, but it comes on the heels of other mobilizations for Noble Eagle and Enduring Freedom. There has been a very heavy concentration of activity in the National Guard units around the country.

I was impressed with the comments of the Senator from North Dakota about the fact that very little notice has been given for some of these activations. Usually it was a 30-day notice. That's been a tradition guideline.

Do you worry, as I do, that this may have implications of people not looking with favor on re-enlisting in the National Guard or depletion of our forces? Have you seen any evidence of that? And I know it may be anecdotal at this point, but what is your reaction to the affect that that may have had on our ability to attract men and women to serve in the National Guard in the future?

BLUM: Senator, I think you're right to highlight that as an issue. All of the airmen and soldiers that this leadership team have talked to over the last — past year have expressed their concern and desire for predictability — for knowing in advance what is required of them as far as possible — for knowing when they will be needed and when they will be released.

Employers, families and the service members seem to do much better when we can give them a predictable time line of when they'll be called, how long they will serve and when they will return home.

This is not just a service member here. The National Guard is a three-legged stool. The three legs are the airmen, air national and the soldiers — the citizen soldiers and airmen. But their families are equally important and their employers are as equal partners with the citizen soldiers and airmen and their families for the defense of this nation. If either of those three legs gets out of balance, we threaten the integrity of the stool.

So we are watching this very, very carefully and the predictability would be highly welcome by the — by the three general officers sitting before you today. And I'll let the others speak when they come up here.

But any Reserve component soldier really would love to have what you're suggesting.

Unfortunately, with some of the realities that have happened and some of these campaigns that the response — the global war on terrorism — our ongoing commitments around the world that we were already supporting — the war in Afghanistan and then the follow-on war in Iraq — and then what may follow on and their involvement in phase four of Iraq is yet to be determined.

So the predictability puzzle has not yet been solved for all of those events.

COCHRAN: General James, do you have any comments on that issue?

JAMES: Yes, Senator. I agree predictability is the key. The Air Force has realized this and they — that's why they established the AEF concept — to call the air and space expeditionary force — to give predictability to the airmen and the families so that they would know when they were eligible to be deployed.

And they have used this concept in Iraq in Iraqi Freedom — actually used the people that were due to rotate into theater and they also kept some people that were in theater because of the AEF.

Unfortunately, the predictability part for the Reserve component is not as good as it — as it is for the active component. We have to be part of our active team. We have to be engaged in these AEFs and activities and contingencies around the world to remain a relevant member of the team.

So the predictability is very important.

I would say also that the airmen are very proud to be a part of that and they'll probably serve. But we don't know exactly what their breaking point is. When is it going to impact on our retention?

One of the things we did in the Air Guard was we surveyed after the end of the first year and we looked at the results. And I am pleased to say that they really were more positive than we had thought. However, we're going to have to do it again at the end of the second year. And we're going to have to do it again another year or so down the road because our operation tended (ph) to (ph) continue to maintain a pretty high pace.

Normally we use — lose — we turn over — excuse me — 10 percent of our force. The survey showed us that we'll probably turn over 13 percent — at the very most, 15 percent of our force. So it's not going to be a — an issue that will beg — excuse me — would cause us much concern right now. But, again, we'll have to re-look that.

But in — but in doing so, we still do have those stress career fields in security forces and in fire fighters and in support personnel — red horses, we call them. People will build these bases.

The chief of staff said this morning the most stressed career field in the Air Force right now is the — the most limited capacity — capability is tents because we build over 30 bases around the world just in Iraqi Freedom — not around the world, but to support Iraqi Freedom. And, as such, we have some stresses in areas we didn't anticipate in our standard Air Force. So we're looking very carefully at that predictability piece — at continuing to be part of the AEF and yet surveying our people to find out what their needs are.

One of the things we do in the Air Guard is we have contracted family support representatives. My predecessor, General Weaver started this. We have at least one full-time person at every Air National Guard installation and separated units for support of the families. Just as General Blum mentioned, the support of the families is very important. And if we can keep the family happy, we'll keep the airmen happy and they'll stay with us.

The second part of that is the employers — employer support. By and large, our employers don't have, quote, "anything for them." They don't have the predictability that we talked about earlier. They don't have any type of a tax incentive — anything — incentive on the books that allows them to feel good about — other than being patriotic — about having their folks be involved. So we need to get some way to give something back to the employer. And we work very hard with our ESGR (ph) people to keep them in the loop — to keep them in the communication loop and feeling good about what they do.

The problems we have had have been really very small in terms of the scope of the operation.

Thank you.

COCHRAN: Thank you.

General Schultz?

SCHULTZ: Yes, Senator Cochran. The issue is very serious with us. Overly concerned — I would not describe it quite that way, but we are most interested in the impacts of a schedule that drastically changed in the case of an employer or a soldier or a family on short notice as we put together the plans for an ever-changing war concept.

But for the outstanding leadership across our states, we couldn't have pulled this off. But for the outstanding soldiers, we couldn't have pulled this off — and some really understanding employers here.

So we took plans and greatly moved the line to the left, as we say. And so instead of 30 days, many of our units were actually alerted and mobilized in less than seven — some one, some two, some three-day notices.

And so I don't know that we've begun to realize the full implication of that activity set here. And of course, our nation's at war — that's why we're, across this country, willing to respond the way we do. And yet, we understand there must be some discipline in the schedule over time. I mean, today we have plans that take our units schedules out three and four years. You'll go this theater, you'll deploy for this period — or here's your major training event.

And all of that turned upside down as we put together the final plan for Iraqi Freedom. And, of course, the Guard units were involved in a number of those changes. And we've responded, to everybody's credit across this country.

But there are second and third order county (ph) implications.

Now, what do we think long term? The Guard — the Army Guard will meet our end strength this year. We're off our program targets just a little bit. Retention is actually higher overall than we had planned.

The active component has a stop loss policy in place. And about half of our members in the Army Guard come from active duty. So that's 30,000 soldiers that come into our ranks every year from active duty. So when the stop loss rules are all in place, those — consider those candidates not available to join the Guard.

So we're off just a little bit in terms of our prior service accessions (ph).

Senator, we'll get through all of this, but we are — question you asked we take very seriously and that is long-term outcomes — the implications — effect of how we handle this mission set. And our soldiers, without a doubt, will respond to the way we treat them.

COCHRAN: I had a chance just recently to visit the Mississippi National Guard training center. It's a regional counterdrug training facility and it's located on the property of the naval air station in Meridian, Mississippi.

And I want to ask you to answer for the record, if you could, questions about the future possibilities for expanding the activities there to include homeland security and other law enforcement challenges that we have as a result of the war on terror and the threats that we have against our country. That's a — that's something that we can discuss in the record.

And I also have a question for General James for the record relating to the conversion to the C-17 fleet at the Jackson Air National Guard facility. We've talked about that before and it would be good if you could bring us up to date and let us know how those plans are proceeding and when we can expect to see that as a fully integrated part of the Air Force responsibility.

JAMES: Senator, we have kept in touch with that. As you know, I visited the unit. You had your staffers there. We had briefings on the unit and I'm pleased to tell you that things are going quite well. We're on track — we're a little behind on one of the facilities in the construction. But I think there's some workarounds and then we can bring that up to the timetable pretty soon.

The actual aircraft delivery was '04 — I think January — February '04. It's been moved up 60 days — the first airplane should arrive this fall — in December. And right now we're — we did have some discussion about the Block airplanes that you're getting — you're still getting the Block 14 airplanes and the Block 15 — or two other Block 15 airplanes later. There may be some dialogue about making them all the same Blocks, as long as they're fairly new airplanes and having the Air Force take the Block 15s and two more, as I said, low-time (ph) or new Block 14s so you could have a homogeneous fleet.

That's the only thing that's come up lately. And talking with Joe Handy (ph) and General Lipskin (ph), they decided

that's what they want to do.

And that — other than that, it's really a good news story — things are working — progressing very well.

COCHRAN: Thank you. We appreciate your leadership on that issue.

Thank you.

Thanks Mr. Chairman.

STEVENS: Thank you very much.

Senator Domenici?

DOMENICI: Thank you very much, Mr. Chairman.

First, by way of a matter that I had some criticism — there's a major story in New Mexico today. It is styled "Critics Blast Border Plan." And essentially, General Blum, what it's talking about is that an area on our — on our border the National Guard provides some valuable support to the Customs department in border inspection operations. And hundreds of Guardsmen around the country have become experienced inspectors in inspecting cargo at our borders, seaports and mail facilities. As a result, Customs inspectors are better able to focus on inspecting terrorists — intercepting terrorists who try to infiltrate our borders.

This work is very important to New Mexico on our border with Mexico. In all, there are approximately 52 Guardsmen along the New Mexico border supporting a total of 90 plus Customs and Immigration and Agricultural inspectors. In addition to these inspections it means the Guard is performing an effective counter–narcotics surveillance, as well.

Recently, it has come to my attention that the Department of Defense plans to divest the National Guard of its inspection support duties. The rationale is that the inspection mission is not — and I quote — "militarily unique."

General, given the heightened state of alert that we have assumed since the terrorist attacks on our country, do you believe that now is an appropriate time to remove experienced Guardsmen from our borders? And how does the DOD plan to effect the National Guard counter-narcotics mission?

BLUM: Senator, the — I have a office call and a meeting set up with the assistant secretary of Defense — the deputy assistant secretary of Defense that is in charge of that particular operation — Andre Hollis. Mr. Hollis and I have had discussions on this and — when I was in a different job...

DOMENICI: All right.

BLUM: ... as the chief of staff of Northern Command. There is a four-star Air Force general named General Eberhart who is deeply concerned about what moves across the Mexican border both ways.

DOMENICI: Right.

BLUM: The immigration and the narcotics, once viewed as a problem in itself, is a even greater problem when you consider the counter-narco terrorist nexus that can be — that can be connected to that and the goodness in protecting our borders from hostile people or hostile weapons systems — either chem-bio or nuclear or high-yield explosives coming across or shoulder fire missiles.

DOMENICI: Right.

BLUM: Because they could be used against our civilian aircraft coming across the border.

We intend to engage with Mr. Hollis and present the National Guard's position in support of a combatant commander's concerns, so we do this in a unified effort, to re-examine the counter-narcotics and immigration issue not as narcotics and immigration issues, but national security issues, which may change the way the Department of Defense views that activity.

And I am not sure they totally understand the full value and the implications of what's being considered. But we — this is too early to tell you how that's going to work out. But at least you know what our concerns and interests are on that.

Thank you.

DOMENICI: General, you know where my concerns are. You have expressed it exactly right. When the attorney general and U.S. attorney there expressed their concerns saying that they're not quite sure we're going to be able to handle

it without this component, it does send signals to me that I have to get in touch with people like you and ask you, "How come this will happen?"

Now on the — on the positive side, I want to say that New Mexico has a number — like other states, we have a number of areas where weapons of mass destruction civil support teams have been put together. These teams have been trained and certified to respond to biological, chemical and nuclear incidents — key military installations and national laboratories.

General, I applaud the quick action of the Guard — recognized the importance of the national laboratories and recognizing them — those in a proactive way. You have that going on in our state at Los Alamos National Laboratory, White Sands Missile Range and the Air Force Research Laboratory installation right in the middle of Albuquerque. We compliment you on that and thank you for it.

Mr. Chairman, for the record, as part of the discussion that has just taken place for the last hour with reference to the — how are we going to react in the future and what have we learned with reference to the Reserve and National Guard in this last couple of years, it seems to me, Mr. Chairman, that this is an opportune time for us to get information from our Reserve and National Guard units precisely as to how we can help them by changing rules and regulations on our end so that they can — so that the Reserves and the National Guard can serve us as a people better.

It's obvious to me that we can't treat them in a willy-nilly way — that they just respond and if they are needed, they needed and if they are not needed, they are not needed. I think we have to have more objective standards and rules and regulations because at the heightened time of everybody being excited about being in a war and wanting to serve — that's one thing. But the aftermath — when that's all settled down, then you have to measure what's really happened — what's happening to the attitude of the workers, the employers and the parents — the families.

And I would hope that you would be expressing concern on behalf of those that you represent so that you are not just used by the rest of the military to fill in — say, whatever is needed you all are going to have to do, regardless of the ramifications, and we'll take care of it later. I think that would be bad.

And, secondly, we have had to change what we pay to our military people and what we do in terms of helping their families during this war — during this war effort. I hope that if there are things we should be doing, whether we are paying more, remunerating better, offering better compensation and the like and even some tax relief, if necessary, I hope you are looking for those to recommend to us with reference to the Guard and the Reserve, as we have been surely looking for instances where we have been — where we could be more fair and more equitable in that regard.

Thank you very much.

And thank you, Mr. Chairman.

STEVENS: Well, Senator, thank you for the comments. I'll have some comments later.

I think that the department's answer so far that we've seen — I'll send you this — the issue to study — is that we should enlarge the active — the strength in the active units and reduce the size of the Guard and Reserve. I think there are a few governors who are going to have some comments about that.

(LAUGHTER)

And besides that, I wonder — if you don't mind, Pat (ph), if I just ask one question — what do we do in a time of all of these tornadoes? In every one of those states the first responder should have been the National Guard. And many of those units are in Iraq or off on terrorism duty. Have you got any complaints yet about that?

BLUM: Sir, we have — we have not received any complaints about that because we — General Schultz and General James, to the degree that they were allowed, were very, very careful to not strip any governor of their total capability to do their state mission and anticipate the typical bad weather patterns and the — and the normal Mother Nature–type catastrophes that happen or leave them a response force in their state if there to be attacked particularly during the prosecution of the war in Iraq by some agents or surrogates of the Iraqi — or sympathizer of the Iraqi people.

So we were very careful to leave in every state and territory a - as much of a robust capability to respond as possible.

Incidentally, in Missouri, with the latest tragic events, the unit that responded to that tornado had been activated for war in Southwest Asia. They were at Fort Leonard Wood, Missouri, at the mobilization station. The unit heard its home town had been hit and devastated and the unit motor (ph) marched back to their home town and responded to their own

neighbors and families and friends, even though they were on active duty, ready to go to war, they interrupted that process to come home to take care of the homeland. And then when that's done, they'll go back to Fort Leonard Wood and prepare to go.

So the short answer to your question is that we are watching that extraordinarily close. We want to make sure no governor is left uncovered — no community is left without a National Guard. And as you may or may not know, the states have interstate agreements where they can mutually support one another now, which they did not have in years past.

STEVENS: Senator Shelby?

SHELBY: The last Congress I commissioned a GAO study asking them to look at health insurance requirements of the Guard and Reserve. The report found over 20 percent of our reservists — people who waiting to be deployed across field (ph) at a moments notice and we've seen when they have — currently don't possess adequate health insurance. And the study showed that this not only threatens the readiness, but it certainly raises questions on recruiting and definite questions on retention.

So I have introduced S.A. 52, the National Guard and Reserve Comprehensive Health Insurance Act, and make reservists eligible for TRICARE on a cost-share basis. Would opening up TRICARE help alleviate some of the problems of both readiness and retention?

BLUM: Senator, any help in that area would be greatly appreciated. We, at this table, do not view that as an entitlements program, we view that as a readiness issue. The health and dental care of our soldiers and airmen is absolutely vital for them to be able to perform their mission when called upon. It also makes — if you extend those kind of benefits to our citizen soldiers and airmen, it also makes them very attractive for employers if they have health care, as you well know, because that gives them an advantage when they are competing for a job. And it may help mitigate some of the downside that employer may view of hiring a citizen soldier or a reservists.

SHELBY: Thank you.

General James and General Schultz, do you agree with that?

SCHULTZ: I agree with that, Senator.

JAMES: Sure.

SHELBY: Now, the National Guard has always been America's homeland security force. And then since September 11—the war in Iraq—have demonstrated the Guard's ready to deploy abroad or at home to defend the country. The Green Mountain Boys from Vermont were flying their aging F-16s over New York City almost immediately after the tragedy there.

And, General James, you and I have discussed this — General Blum has.

Actually, I was pretty impressed. I went there and watched some of the operations. And you see these mechanics working literally around the clock to keep the planes flying. And then the pilots doing the same thing. And these are not — they were heavily armed. They weren't carrying dummy missiles, obviously, at that time.

But when the Guard's carrying out missions at home, it's usually most effective when it serves under the command and control of the nation's governors. They know their communities and if there's a question of the Guard cooperating with local law enforcement or state law enforcement, they know best how to do it.

And I am concerned that the Department of Defense has not sufficiently supported call-ups under the Title 32 status. How do you feel?

Do you, General Blum — do you support call-ups of the Guard forces under Title 32?

BLUM: Senator, yes, I do. It goes back to the issue of flexibility and responsiveness. To me, you should leave in the hands of whoever is responsible for responding to an event the most flexibility to respond to that event as possible. The unique dual status of the National Guard should not be discarded, it should be embraced. It actually is value–added in most instances.

SHELBY: General James, do you agree with that?

JAMES: I do agree with that. But I think he's right on the mark in that. As a former TAG (ph), I will tell you that it's

very important that the governor and the adjutant general of that state have the flexibility to utilize those — and maintain command and control over those forces under status — under Title 32 status, as opposed to Title 10. There are some cases where Title 10 status has its benefits. But overall, I believe Title 32 would be the first choice of the governor and the adjutant general.

SHELBY: And General Schultz?

SCHULTZ: I agree with that, Senator. And if Title 32 brings along a certain set of definitions, meaning it's a training status, perhaps it's time for another status that gets that. The realities of post-September 11 attacks on this nation where governors still would control those first responses in a status, and then maybe the federal forces — the Title 10 forces follow on at some logical point in an emergency mission. So it might — I think we've got some work on this, but I do support what's been outlined by our chief here.

SHELBY: As you all know, we've — this committee has — or subcommittee has made the Guard and Reserve equipment account a high priority over the past several years. I've — not that any parochial questions every arise from this committee, but I...

(LAUGHTER)

... you have gotten out of me my comments about the F-16s and the 115th Fighter Wing, the oldest — the oldest such equipment — they're flying more hours than any of the other F-16s in the Air Force inventory and doing it well. How do we keep the Guard's equipment as modern as possible?

We've got the Guard and Reserve equipment account, but should we be doing more? I mean, how do we do this?

Our best (ph) on (ph) open-ended (ph) south paw you're never going to get one you like.

(LAUGHTER)

BLUM: Sir, let me thank this — Senator, let me thank this committee for what they have done in providing us — for us in the past in a most generous fashion. The bottom line that the National Guard and Reserve equipment account is it allows the local commander — those charged with the responsibility for ensuring readiness — the flexibility they need to manage our readiness. And I think the results are proven. This is — this is a very, very good program and it's much appreciated by us.

And not to be open-ended, but since we are using this equipment at a much-increased rate than we had projected even a year-and-a-half ago, the wear-out rate would tend to lean toward — we would like to see this program continued. And if you wish to expand it, that would be most welcomed.

SHELBY: Mr. Chairman, the reason I raise that is we all know we're going — we've had to come up with a lot of money for the Department of Defense. We all understand that. Just replacing the munitions expended in Iraq will be very considerable. But it has been a strain on all the equipment all the way through. But I just don't want anybody to forget the Guard's equipment is strained, too.

General, I thank you for your courtesy.

Gentlemen, I — it's good to see all of you and thank you.

BLUM: Thank you, Senator, and thank you for your support of the Lightening. If it had not been for the Lightening pods and the monies that were spent from the National Guard Equipment Account, we would not have been able to participate in the last contingency. Very simply, the Lightening gave us precision-guided munitions capability that we needed. It kept us relevant; it put us in the fight.

Thank you.

SHELBY: Well, General, you made it very clear to me how important those were and I appreciate it.

(LAUGHTER)

Thank you.

STEVENS: Senator Hutchison?

HUTCHISON: Thank you, Mr. Chairman.

Let me say first that the Easter of 2000 was probably the best Easter I've ever spent. It was with General James in Bosnia, with our Guard unit. He was the head of the Texas Guard, at the time. And we went over there — it was the first time we had a Guard unit in command and control. It was kind of a test case and our Texans did so well that many have followed, since. And it was a wonderful opportunity to go to that sunrise service and visit with our troops.

I won't beleaguer it, because my staff tells me that others before me have made the same comments and questions about over using the Guard and Reserve. And I have great concerns in this area, as well. I talked to a lot of those young men and women in Bosnia, and have since, about the strains that occur when they are deployed so much and talked with Senator Stevens on a trip that we took to Saudi Arabia, where we had Air Guard units that had been over there three times over a two-year period and they were pretty worn out.

So I am concerned about that. And I just will look forward to working with the Department of Defense on the issues that relate to — what is our troop strength in the active duty and what can we realistically expect from the Guard, and do we have the right troop strength there, as well? But I won't ask the question because I understand you've thoroughly gone through that.

There is, though, one question that I do have and it was in the base tour that I took two weeks ago. And I found a woman in — near Dyess and Goodfellow, whose husband had gone out with a Guard unit out of Killeen, out of Fort Hood. And she was having trouble getting the access that we know our families of deployed have. And it turns out that we don't have a clear mechanism for deployed Guard and Reserve units to be able to go to the nearest base to their home if it's not close to where they're actually deployed from.

So I am working on legislation right now that would require that contact be made to the nearest base for a deployed Reserve personnel and that, that person, the next of kin, would have the contact at the base — that there would be someone at the base who would be in charge of dealing with the Reserve families who are left behind.

But I'm going to just ask you if you are aware of this and if it's something that you could work on before I, hopefully, pass my bill.

BLUM: I think that would be most welcome.

As you know the active duty bases are not really ideally located against population centers. Our membership mostly comes from population centers. So anything you could do to make that easier on families and make their access more eased, would be most appreciated.

Thank you.

HUTCHISON: Well, I will introduce the bill and then either get it in the authorization bill or offer it as an amendment. And I don't think there will a problem with it. But — and I don't even think it should be a big problem for you. I think it's just having that little communication mechanism so that — I mean these people are under a lot of stress because they're not active-duty, so in many instances they don't have the same family support and infrastructures. So, I want to give them that to the greatest extent possible.

Thank you, Mr. Chairman.

STEVENS: Well, thank you very much, gentlemen, for your testimony. I look forward to working with you on these difficult issues. The subjects that we discussed may primarily be in the province of the Armed Services Committee, although several of them are in the budget transmittal to us, which would require us to act on them, too. So, we'll be back with you on some of those issues before we're through.

Thank you very much.

BLUM: Thank you, Mr. Chairman, and members of the committee.

STEVENS: Now a call for the commanders of the Reserve forces to join us today.

We have with us today Lieutenant General James Helmy, chief of the Army Reserve, Vice Admiral John Totushek, chief of the Naval Reserve, Lieutenant General Dennis McCarthy, commander of the Marine Force Reserve, Lieutenant General James Sherrard, chief of the Air Force Reserve.

I'm told that it would be proper for me to extend to you, Admiral, a bravo zulu (ph). Well done. We understand this is your last appearance before us. We certainly wish you well in all your endeavors and thank you for your service to our

country.

We will — I assume the best way to proceed would be just in the order I've read the names, if that's agreeable. So, we'll start with General Helmy, chief of the Army Reserve.

HELMY: Thank you, Mr. Chairman.

Members of this distinguished subcommittee, I thank you again for the opportunity and the privilege to testify on the behalf of the 205,000 soldiers, 11,000 civilian employees and their family members — all members of the United States Army Reserve.

Today as we speak, over 68,000 Army Reserve soldiers are mobilized throughout the world on a — in America's global war on terrorism. They serve along side their Army National Guard and active component counterparts courageously, skillfully and proudly. These modern-day patriots who willingly answered the call to duty to perform the missions they've trained for and to honor their commitment as an indispensable component of the World's finest ground force, the United States Army.

This committee, through its dedicated support of the soldiers in the Army Reserve, has played a major and integral part in increasing the relevance and, indeed, strengthening the readiness of today's Army Reserve. Your concern, witnessed here today, for our people, our most precious resource, who dedicate a significant part of their lives to defending our nation in addition to honoring commitments to employers and families as well as their communities, is evidenced by your invitation to review the president's State of the Army Reserve. Thank you for that.

One of our units, the 459th Multi-role Bridge Company, based in Bridgeport, West Virginia, is a unit so honoring their commitment. This unit of 172 soldiers supported, in fact, the first Marine expeditionary force, and similar to another multi-role bridge company that, in fact, traveled first with the Marine recon battalion so that they could bridge the various rivers in route to Baghdad. This unit, in fact, fought as infantry in a couple of the Marine's firefights in An Nasiriyah and other folks.

One of the soldiers, a noncommissioned officer, Sergeant Paul Abernathy, remarked upon leaving An Nasiriyah, "We all signed up knowing that we might have to go do this. Now that we're here, you have to keep in mind, this is our job as soldiers, we came to win."

By the way, I might add, that they were proud to serve with the United States Marine Corps in this operation. It shows that we fight not only intra-component, but also jointly amongst all the components and with combined forces.

But excelling in current missions is not sufficient by itself. It is also necessary that we concurrently confront today's challenges while preparing for tomorrow's. The Army must, at all times, maintain its nonnegotiable contract to fight and win the nation's wars as we concurrently transform to become more strategically responsive and dominate across the spectrum of military operations.

The concurrence of these dual challenges, transforming our force while fighting winning and preparing for today's wars, is the crux of our challenge today — transforming while concurrently at war.

Today's war has mobilized 35.4 percent of the United States Army Reserve. That is far higher than the 27 percent of the Army Reserve mobilized for Operation Desert Shield/Desert Storm. Since 1996, we have averaged 9,265 Army Reserve soldiers mobilized annually. On the first day, on the 31st of December 2002, we had 9,600 Army Reserve soldiers mobilized. Three months later, we had over 69,000 mobilized. That is a vertical spike of unprecedented proportions in terms of the speed. You have alluded to that, this morning.

Since the 11th of September '01, our world has changed drastically. The very nature of this global war on terrorism — long duration, very fluid and volatile at unexpected places and times around the world — dictates that, in fact, major changes are required.

The practices, procedures and policies related to how we organize, man, train, compensate and mobilize for use, the soldiers of the Army Reserve. What was once a force in reserve has now become a full partner, indeed almost an auxiliary force of the Army, across the spectrum of operations, needed to satisfy the demands in need for high-skilled, specialized soldiers and units.

Our ability to remain relevant and responsive depends on the interoperability and condition of our equipment, as well as the training and readiness and welfare of our soldiers.

We're grateful to the Congress and the nation for supporting the Army Reserve and the centerpiece of our formations, our soldiers, the sons and daughters of America. I cannot, in words, express how very proud I am of our soldiers, as well as their families. They are in the hearts and prayers of a grateful nation, and they will stay there until the job that we have come to finish, is at hand.

Thank you again, sir, for the opportunity to appear before you and the distinguished members of this committee — subcommittee this morning, and I look forward to addressing any questions that you may have.

STEVENS: Thank you, General.

Admiral?

TOTUSHEK: Thank you, Mr. Chairman. And thank you for — on a personal note, for the kind words about my service to the country.

I'm just humbled and proud to be representing the 88,000 men and women of the Naval Reserve Force. And I would tell you that they have, once again, stood forth, just as the other component members have, when the nation needed them.

I'd like to, rather than talk a little about the Naval Reserve force, as a whole, just talk about a couple of things you've already brought up.

The first is the overuse issue — it seems to me that perhaps rather than changing the numbers in the active component and Reserve component mix, perhaps we need to be looking at the mission areas so that we don't recall people year after year after year.

In the Naval Reserve, we've done a pretty good job of doing that and the data that we have, which is current as of the end of AEF — OEF, I'm sorry — shows that the people that have been mobilized actually have a higher retention rate than those people that have not been mobilized. So at least for the Naval Reserve force, as of current after the Afghanistan operation, we have not seen – and the data reflects about a 50 percent better attrition rate, if you will, than the people that are just doing their time, if you will, drilling.

I think that shows us that the men and women of the Naval Reserve force, at least, and I would expect the other components as well, are willing to serve and, in fact, are expecting to serve a little bit more differently than they have in the past. Now I would just ask that as we think about the way we're going to try to structure the military of the future that we don't try and put one size fits all or put too many constraints on us, that prevents us from doing our mission or allowing our people to serve.

The second thing is that we've heard some talk about the fact that it is not a good idea to have 100 percent of any capability in the Reserve component, because that would also suggest that we would be over-using them.

The Naval Reserve has several capabilities that we do the entire mission for the Navy. One of the good examples is our intra-theater airlift. All the transport airplanes that we have — if you see an airplane that says Navy on the side, it's either carrying people or cargo — that's a Naval Reserve airplane.

Once again, during Operation Iraqi Freedom, we did wonderfully well there, bolstering the support to the theater by about 300 percent. And we did much of it without mobilization. Much of it was on a volunteer and an attachment type of basis.

TOTUSHEK: So I think we have proven over and over again that we can do that mission for the Navy cheaper, better and with more expediency than even trying to outsource us would be able to do. And I would just ask us to keep that in mind as well — that there are certain missions that are perfect for the Reserve components.

Lastly, I'd like to talk about the length of time it takes to mobilize. We all expect and would like to give our members as much notice as we can. But in these times when we are at war, I think everybody understands that if it is a quick mobilization, that there are instances where that must — that is necessary. And our people are willing to sign up for that as long as it isn't the usual case. If we can plan, as the other commanders have pointed out, on a regular basis, and then perhaps understand that once in a while it's going to be "Now," people will understand that.

I, too, would tell you that just like the other component commanders, the employers and the families of our people have been very, very important to us. We've taken steps in both cases to make sure that those equities are recognized. And I would tell you that, by in large, all of those families are standing up and doing a wonderful job, just as our people have.

Thank you very much for your continued support. I'll look forward to your questions.

STEVENS: Thank you very much.

I think the committee would be very interested in the number of volunteers that came forth in each one of your branches.

I've got to tell you that I've had more calls from people who are irritated that they weren't called up than I got from those who were called up who were irritated. So there's a balance there somewhere.

General McCarthy?

MCCARTHY: Mr. Chairman, members of the committee, with my colleagues, I thank you for the opportunity to appear and to talk briefly about the Marine Corps Reserve.

Most importantly, I would like to say that as an advocate for the Marine Corps Reserve, I want to thank the Congress and this committee, in particular, for the support that you have provided over the years. And I think it's — I think it's clear that the investments that the Congress and this committee have made in the Marine Corps Reserve have been well used and have borne fruit in this most recent period of combat for our — for our country.

As you pointed out, Senator Stevens, it is truly a totally integrated force. The Marines and their units in the Marine Corps Reserve are indistinguishable from their active units. They are part of those units. The units are combined and it truly is a, I believe, a vindication of the concept of a total force.

Over 50 percent of the Marines and sailors who served with us in Marine Reserve units, have been mobilized. And the vast majority, I think over 75 percent of those mobilized right now, were mobilized for service in the U.S. Central Command's area of responsibility.

They have been directly engaged with the enemies of our nation. They have suffered their share of casualties. They've served across the full spectrum of Marine operations — infantry, aviation, tanks, light armored reconnaissance, reconnaissance units, engineers, combat service support, ANGLICO units serving with Special Operations Command and with the first U.K. forces in Southern Iraq. In short, in every aspect of Marine operations in this — in Operation Iraqi Freedom, Marine Reserves, and their units, have been a — have been an integral part.

We are focused at my headquarters now on bringing these units home — on demobilizing them and refitting them and getting them ready for whatever challenges may lie ahead. That demobilization process is our number one focus of effort, and as soon as that process is complete, we will begin to focus on reconstituting and rebuilding the capabilities of the Marine Corps Reserve. And that is going to be a challenging task, but it is one that I believe we can accomplish.

It's clear that as we bring units home, there will still be units remaining in the area of operations. Some of the last units to leave Iraq, I believe, will be Marine Corps Reserve units, civil affairs units, a couple of infantry battalions and light armored reconnaissance come immediately to mind.

But I just left the theater on Sunday night. And I talked to — I talked to, I think, hundreds, maybe 1,000 Marines while I was there. I visited with the senior Marine commanders and I come away convinced that your Marine Corps Reserve has done a tremendous job — pardon me — and that it will continue to do so. It will come out in good order and we will begin the process of getting ready for whatever challenges lie ahead.

We'll work in close coordination with the Congress. And again I would state my appreciation for your support.

Thank you, Senator.

STEVENS: General Sherrard?

SHERRARD: Yes, sir.

Mr. Chairman and distinguished members of the committee, I, too, would like to thank you for the opportunity to come before you, representing the men and women of the Air Force Reserve command — nearly 76,000 strong, of which we have 15,000 — in excess of 15,000 mobilized today.

As has been expressed by all the members of your committee, as well as my colleagues, the men and women of our command, along with all their cohorts, have just been fabulous in what they've done in response to the needs of the nation and we could not be more proud. And we have a responsibility, each one of us, to make certain that we, in fact, look after their needs and make certain that they, in fact, are met.

I want to thank the committee for the things that you have done for us in the past and for those that you will do for us in the future in terms of pay and education benefits — in terms of modernization capabilities for our equipment. And General James mentioned the Lightening Two Pods. It's the — that's one of the greatest things we've ever done for our Air Force, in terms of giving that capability to our F-16s and we are now taking it into the A-10 and the B-52. And it gives it remarkable capability, and if it were not for your support, that would not have been possible.

I would tell you that our priorities in the command remain our people, readiness and modernization. We want to make certain that our people are always our number one objective. In doing so, as we go through the mobilization period, we were faced with the same things that our other — my cohorts have already mentioned — in some cases, very short notice. We did not have the normal 30-day notice that we would have liked to had.

The members responded. In fact, I will tell you, in reality, they responded in a volunteer state and deployed before we had mobilization authority. They deployed as volunteers and then we mobilized them in place, in some cases.

In terms of the readiness side, we want to continue to pursue our assessing as many prior active service members as possible. That gets to be a major challenge for us, particularly as was mentioned by the earlier panel, when there is stop loss of the active force that does put a restriction on our recruiters.

But I'm very proud to tell you that our recruiters are out there, they've met goals by getting as many of the non-priors to fill in those holes, where the prior service members were, in fact, not available. But the prior service members are certainly our key to success. They give us that experience level that is so critical for us to be able to do the things that we ask our members to do, in light of the very limited time that they would have to serve with us when they are not in a mobilized state.

In terms of modernization, as I mentioned, we need to continue to make certain that our weapons systems are relevant. The combatant commanders insist upon that, if not, they don't invite you to the fight. We've got to make sure that we're interoperable with — not only with our active force and the Air National Guard, but also with our other component friends here because we are all using the same battle space. And we've got to make certain that we can communicate and know who is the friend and who is the foe.

The things that I would tell you are the most critical to us, as I mentioned earlier, on the demobilization side, we have demobed just under 3,000 people to date. We are bringing the people back as fast as the combatant commander releases them back to the gaming (ph) major commands, who, in turn, will release them to us. But we're wanting to make certain we do it in a — in a very rational manner — that we, in fact, provide the member the opportunity to exercise all of the rights of reconstitution of leave and, most importantly, of the medical assessment so we can determine if there, in fact, have been some issues that would need to be addressed in the future for that member.

And we take that time and ensure that we don't do something that, in fact, would place our members into harm's way when, in fact, we could have prevented that if we had just taken some time and been a bit morbid (ph) in the way we go about it.

I would — I think the Air Force has got a very reasonable and rational plan in bringing our members back and making certain that we — that we do it properly. And I will tell you that as we, in the blue suit community, know very well, we are, in fact, all tied together — the active force, the Air Force Reserve and the Air National Guard — seamlessly. And I would tell you our unit — equipped units, as well as our very cost-effective associate units, give us the capability that allows us to meet the Air Force needs worldwide.

I'd like to just close with the statement that I had the opportunity to discuss with one of my — I was having a conversation with one of our special operators when he was in theater and he put it very succinctly, but it also — it touched what I think is the very reason that all of you are talking about today — why are our men and women willing to go sacrifice, in some cases, maybe their business — they certainly sacrifice time with their families and with their employers — and he put it very straightforward. He said, "You know, if it's not me, then who? And if it's not now, then when?"

And I think that statement or those two statements are, in fact, the things that each member of the Reserve and the Guard components ask themselves because it is their dedicated efforts that allow it to happen. And we could not be more proud of the — of the response — that they've stepped forward when asked.

I thank the committee, again, for their — for their service and support of us.

And I also will tell you that we are very, very proud to be serving with our Air Force.

And I look forward to questions that you may have.

Thank you.

STEVENS: Well, thank you all.

The actions of your people and your supervision of them more than validated all the work that we have done to try to upgrade the Reserve and to make certain that it had the equipment — you all had the equipment to train and to deploy that would be needed.

I don't — you sat through the questions that we had for your predecessors. If you had any comments about those, we would be glad to have them.

But I have been thinking about the problem of a total force and what it means to be deployed as often as we have had people deployed during these past years — going back to Bosnia and Kosovo and even back further than that into Panama and various other problems. And I'm — I wonder if you've ever thought about the concept of active Guard and Reserve having a multiplier for the retirement credit for the times they actually serve in combat status. Any of you ever reviewed that — some added incentive — really a reward for those who do answer the call?

We've had people go through prolonged periods of peacetime who had Reserve credits towards retirement. But I think when these people are called up, particularly under the circumstances that we've had in the past few years, there should be a change in the retirement system so that there's a recognition for those who have answered the call. And I think it would be an incentive to those — to — who might be called up to respond.

Do you have any comments about that?

HELMY: Mr. Chairman, everywhere I go today, people ask me about a change in the retirement policy. And this, of course, was proposed last year to lower the retirement age for reservists down to age 55. I understand that in the — in the form that it was presented it was a very big bill to the country.

But it seems to me there has to be some recognition of — if we're going to use reservists more often, that we, in fact, do recognize the fact that they are no longer weekend warriors and are very much a part of the total force.

So I think an idea like that or an idea that combines something that allows them to get a little bit of their retirement a little bit earlier, if it makes sense for them, would make some sense for all of the Reserve components.

STEVENS: Well, this would make their retirement come earlier if you had two years service and it gave you four or maybe six years' credit to your retirement, then obviously you're going to get it sooner.

HELMY: Right.

STEVENS: Because it is a combination of age and total service, isn't it?

HELMY: Yes. It's — your number of points that you earn and those, basically, are done by the year. And this would — an idea like that — but there is an idea out there somewhere if we put all of these things together that's going to — that's going to work for us.

STEVENS: I will ask for a review of that and see if we can get some studies made. But there ought to be some recognition so that those — we're in a situation where some people are not called up. And they will go through and get the same retirement as those who were. And I think there ought to be a — some mark on the wall for having answered the call to duty. And for those people already on duty to have — that have intensive duty as compared to just normal peacetime service.

STEVENS: But it's one of those things — are — is there anything you're doing now to assure that we're going to meet the recruiting goals in the future? Are we going to have a — have a drop off now? We had an increase in volunteerism, I'm sure you know, a spike there, as this whole situation built up. But I think now that this is over with, there's sort of a lull that comes. What are your plans for recruiting in this postwar period? We're not there yet, but it's coming soon, I assume.

HELMY: Senator, if I may, for the Army, we went back, and I looked at Desert Shield/Desert Storm as a point in time. We experienced a — since Desert Shield/Desert Storm, the soldiers who served in Desert Shield/Desert Storm, that covert group has attrited since then by about 85 percent. I've been unable to break that of the number who, if you will, left as opposed to those who completed a term of service, that is, retired after 20 years.

And I might add one correction, your proposal regarding retirement under current law, though, would still not allow the reserve member to receive benefits from retirement until age 60. I might get there faster, but I wouldn't get any benefits until I'm 60.

STEVENS: I may not have explained it, but I would reduce the...

HELMY: Yes, sir. OK.

STEVENS: ... the age by the equivalent amount.

HELMY: I understand.

STEVENS: So if you served five years and you're supposed to retire at 65, you would actually be able to stand down at 55.

HELMY: Yes, sir. But regarding attrition, for myself, I dare say for all of us, in a all-volunteer force, that is something we cannot take for granted. We're addressing that. I proposed to the Department of the Army that we retain a stop loss in place. That stop loss is good for the period of mobilization plus 90 days. I'd ask for that solely because we wish to have the soldier deal with not emotions and external pressures, but rather facts. It is a very volatile situation where we are today if we retain the current stop loss in place, based on the number we have mobilized, and just the physical factors of how fast you can bring them back home and demobilize them in a human considerate sort of way.

We will exceed our end strength at the end of fiscal year '03 by as much as 9,000. Our end strength is 205, we have projections we could come in at 214. In turn, our worst-case attrition model says that we could come in as low as 192 at the end of next fiscal year '04.

So I will tell you that it is a extremely volatile situation. My biggest concern falls in the area of professional medical staff. Two-thirds of the Army's combat medical care is resident in the Army Reserve. Our highest attrition rates are suffered by our professionals in the AMED field — self-employed. In fact, we put them long — years ago, on a 90-day rotation model to be considerate of not breaking private practices.

So I don't have any ready-made solutions other than to say we're putting a full court press on it to include, starting tomorrow, myself personally, going out to hold town hall meetings with soldiers that we've mobilized. And we have about 2,500 in this category that we have mobilized in less than 10 days notice, gotten trained, gotten certified for deployment, but the war was over quickly. And they're hung up, literally, at a mobilization station waiting for us to either demobilize them, give them a subsequent mission in another part of the world, or send them to the desert and bring another unit home. But again, the law of physical mass applies in terms of strategic lift transportation, what kind of unit is needed in theater, sequencing that, et cetera.

So I would just close by saying there's a passage in a new book out, and I apologize, I don't remember the names — the author's name. The book is "The Principles of War for the Information Age." One of the passages in that book deals with the requirement for precision mobilization. That is what I alluded to in my remarks when I said that largely the policies, practices, procedures that we employ in the department with regard to the mobilization and use of reserve numbers were designed for an age which is no longer with us, and that is a mobilization of masses of people over a long period of time with subsequent demobilization of virtually everyone.

We just have to come to grips with that and develop the procedures, policies and practices to be more precise, and in so doing, extremely considerate of our people and their employers.

STEVENS: I do appreciate that.

Any of the other have comments?

I do want to make one request and I'm sure Senator Cochran has got some questions. But I'd like to have each of you, for the record, provide us information about the percentage of your people who actually stay in your service to retirement time. As compared to the volume that come through your reserve units, how many of them really stay with you to retirement, particularly with you mentioned, 65? That'd be interesting for us to look at, because I think there ought to be some greater incentive to people to at least a 50–55 age group. I'd like to see where the break off is, where do they start fluffing off and saying, "This is not worth it"?

HELMY: We can get you that data. We've got that.

STEVENS: Thank you.

Admiral, do you have any comments?

TOTUSHEK: Yes. And in our case, actually, because as I was saying, with some of the mobilizations that actually increased our — and helped us, I believe, drive down the attrition that we've experienced historically in the Naval Reserve, I actually lowered my recruiting goal by 2,000 for my enlisted people this year.

The war had a little bit more impact on officers, and my officer recruiting has dipped off a little bit. We're working hard to try and get that up by the end of the year. But in the near term, we don't see a big impact on us.

Now, we're going to carefully measure and again survey to find out exactly what the implications are after the second large mobilization in a row. And I think this additive thing is a thing we're going to have to deal with. Now that we're looking at two big ones right back-to-back, that will have some impact and we're just going to have to assess what it is.

STEVENS: General McCarthy?

MCCARTHY: Senator, I would like to just make the point that this question of retention, and so forth, is another one of those indications that one size doesn't fit all in terms of the various armed services. The Marine Corps Reserve, just like the active component Marine Corps, is very, very largely a first-term force.

MCCARTHY: About 70 percent in each case, both the active component and the reserve component are first term Marines. We are not a long term or a large career force like some of the others, and so the implications of what constitutes retention are different and vary by service.

Having said that, there clearly is a portion of our force, most of the officer corps, and those enlisted Marines who will go on to be staff noncommissioned officers that we're very, very interested in retaining. And we'll have to study over the next year what the implications of that will — of a prolonged mobilization will have on that — on that portion of our force.

Recruiting has continued a pace while we've been deployed, and that has — we've continued to meet all of our goals on recruiting. And so I'm less concerned about our recruiting and our ability to recruit in the future than I am about this issue of retention.

But as I say, for the Marine Corps, the proportions or the percentages are significantly different than my colleagues. So the remedies or the tools that we need to use may be somewhat different as well, but it is an issue that we're very watchful of.

STEVENS: Do you have a end grade step increase? For instance, you know, in the civil service, if you're grade 13, you can be grade 13, step 1 through 12, I think. Do you have that for sergeants in the Marines?

MCCARTHY: Yes, sir. And our pay scale is exactly the same as everybody else, so that a corporal with three years service makes less money than a corporal with four years service, and progressing on. Yes, sir.

STEVENS: I'd be interested — you know, I — in what you might think would extend some of those people beyond one term. Not now, but if you'd give us some — if you have any incentives in mind — you do have a particular — a different force.

MCCARTHY: Yes, sir.

STEVENS: If you have any concept of what might lead people to re-up for another hitch, particularly coming from active to reserve for at least one additional hitch. Those sorts of things would augment the total force in a tremendous way, because we all know the Marines have a different focus in terms of mobilization, and they're needed now, you know? So it's a different thing.

General Sherrard?

SHERRARD: Yes, sir. I would tell you that, as I mentioned in my earlier statement, our key to success is prior service and maintaining those numbers. And anything that we can do that would retain that number to the maximum extent possible, ideally to their — for the enlisted force, or their high year tenure date, or to the officers to their mandatory separation date, it certainly would enhance our ability to keep that experience base that is so critical for us to do our jobs.

As you know, and was mentioned earlier, when you've attained 20 years of satisfactory service, you are eligible to declare yourself for retired status, realizing you're not going to draw pay until age 60. I'm a firm believer and been a strong

advocate all along that if I can keep them from 20 to 30 years, that 10 years — every time I keep three of those members, that's one that I've reduced a training requirement and a huge training dollar cost significantly for my force and for this nation, and we need to keep that base there.

So I would welcome to look at all these options, sir, whether it be a multiplier, as you mentioned, for combat service, or whether there would be some option for service beyond 20 years, or some incentivization that we could offer to the member that — as you know, all bonuses and things of that type, with the exception of the pilot bonus for the active duty members ends at the 20th year. So really they're working for points that they're going to achieve toward retirement, but if there would be a way to incentivize them from beyond that 20-year point, it would certainly be a boon, I think, for our service, and most certainly for our nation.

STEVENS: I don't want to get too personal about it, but I remember when I moved to Alaska, the Air Force had a concept that you couldn't have reserve duty in a territory, and that meant that I would have to fly at my own expense to Seattle to train. Obviously, I sent a nasty letter to the Air Force and resigned. But they — I do think that there are subjective factors in retention that each service ought to look at. Mobility is one, our people move so much now around the country, and sometimes they're disjunctive of moving from one area to another whether it's no longer a unit that you can join, has a lot to do with retention.

Senator Cochran?

COCHRAN: Mr. Chairman, thank you very much.

I was reminded about my Reserve experiences personally, as well. I got through law school primarily because I could earn money by going back on active duty in the summers, and being a member of teaching complement at the officer candidate school in Newport, Rhode Island. The money I made in the summer I spent in the fall and the spring semesters of law school. So I've always had an appreciation for that opportunity that the Navy gave me to continue to serve while pursuing another career.

I know the Navy is planning to transfer some of its resources in my state of Mississippi over to the naval station in Pascagoula.

Admiral Totushek, I understand you're basing your second Littoral Surveillance System at the naval station. I wonder if you could tell us what role you envision this system playing in force protection, and possibly with homeland security, as well.

TOTUSHEK: Thank you, Senator Cochran.

We think that there is gold in them there hills in this system. The Coast Guard is very interested in it. Just a quick little primer here, it is a system that allows us to integrate any kind of sensor that the nation has, whether it be an unmanned sensor, a manned sensor, a satellite kind of sensor and to integrate that, to give you a total picture of an area as large as you would like, depending upon how far out you want to employ these sensors to be able to have situational awareness and if need be commensurate targets. It's that good that it can actually spit out the coordinates of the targets you might be interested in.

We think the implications for that for homeland security are immense. The Coast Guard agrees with us, and we are starting to talk with them about how we can integrate a naval reserve capability using this Littoral Surveillance System along with what the Coast Guard around our ports. And as Dave pointed out, in a lot of cases, there are areas of interest in the country where there isn't a robust capability. This would allow us, because it's portable, to take it to another part of the country where you might not have an area of interest for a short period of time and to take a look at something that may be going on in that area.

One scenario would be, as some of these tankers and freighters come into our ports, that we really don't have a good idea of what's on them. If we had a tip that perhaps one of them was — belonged to somebody we didn't trust, we might want to go out and take a look at that while it's still hundreds of miles from our shores instead of just close in, as it's entering the port.

So I think there's going to be a great synergy there between what the Coast Guard is doing and what we're able to support them with in homeland security.

STEVENS: I understand, also, you're planning to move two of your Naval Coastal Warfare units from Gulfport,

Mississippi to Pascagoula Naval Station. When these units are not forward (ph) to port, what role do you see them providing in support of Coast Guard or homeland security missions?

TOTUSHEK: We originally got the Littoral Surveillance System to marry up with these units that basically would surveil a port. And so their being right there, not only is it a great training opportunity for us to have the port there, to have the boats, and have the Littoral Surveillance System, to be able to train for it, but also, we now have a great capability for looking at, not only the port of Pascagoula, but basically the Gulf of Mexico. And we think that there's going to be great synergy there, not only to train, but to offer that force protection to the entire gulf, as well.

STEVENS: I also understand the Navy plans to transfer some patrol coastal craft to the Coast Guard and decommission as many as eight other patrol craft. Do you see a role for these PCs in the Naval Reserve, as well?

TOTUSHEK: The problem with the PCs is they're very expensive to operate. They're gas turbine engine ships, boats, and they move real fast, but they burn a lot of gas. And that's the main reason that the Navy is interested in getting rid of them. They're in great shape, the Coast Guard is taking over six of those, I believe, is the number for use in being able to get out very quickly to look at contacts and interests further from our shores and unusual (ph).

We have proposed the idea of the Reserve Force taking over some of these. The problem again is the operating cost of the platform. We think there will be a mission area that's going to require something with this kind of capability, whether that's the right platform, or not, we're still talking to the Navy about. But we think that it's a real capability that could be used not only in the gulf, but up and down the shores of the nation.

STEVENS: General Sherrard, the Air Guard — no, the Air Reserve unit down in the Biloxi–Gulfport area, has what they call hurricane hunters that go out and fly right into the eye of hurricanes and they conduct surveillance. It's been a mission that has been unique for some time. And I understand there's some conversation about transferring this — as a matter of fact, there's probably a proposal — to transfer this to NOAA Oceanographic Administration.

My concern is whether or not there is a continuing need for weather reconnaissance that's related directly to military operations. I notice the hurricane hunters were deployed recently to Guam to conduct weather reconnaissance support of some operations. They also were operating last month out of Elmendorf — where Senator Stevens has invited me to visit on a couple of occasions — supporting winter weather reconnaissance missions there. What's your view about the utility of the hurricane hunters as a part of the military force, as opposed to transferring them to NOAA?

TOTUSHEK: Well, sir, as you know, we have been asked to do — to work with NOAA, to look at the transfer. In fact, there has been one meeting and there will be a subsequent meeting scheduled for the 13th, but I was told as yesterday that that may be slip (ph) for a week.

I have asked our staff, and we've got some information, sir, and I wanted to be very candid with you. We're in dialogue with the Air Force leadership about the very issue that you addressed in terms of military utilization, simply because of the fact that we have just recently, as you know, activated that unit, and we are sending them — they're at Guam to do the mission.

And there's some concerns that, on behalf of the organization, that I have asked the leadership that I'd be allowed to bring that to them for discussion. And until that happens, sir, I really can't go beyond that. But I will tell you that we're going to have that conversation with the leadership of the Air Force.

STEVENS: Well, I appreciate knowing about that very much.

General McCarthy, my question to you has to do with the upgrade of the F/A-18 aircraft, bringing it to a level of modern capability. The upgrade includes GPS, launch precision guided munitions, et cetera. Could you give us an update on the plans and the likelihood for funding needs in this area?

MCCARTHY: I can. It's an overall package called ECP-583, and it's a group of technologies that brings our F-18A models up to the equivalent of an F-18C, enables them to fire precision guided munitions and some other things. It's been very successful. We're about 60 percent through our fleet of 48 F/A-18As, and there's a steady program to continue until all of those aircraft are completed. And the impact on the capability of these aircraft is phenomenal.

And then, fortunately, our F-18As, which have never been used in a carrier role, therefore have an extended life so that with this upgrade and their extended life, they become among the most capable F-18s that the Marine Corps has.

TOTUSHEK: I might point out, if I could, Senator, that the Naval Reserve has the same kind of program. Slightly

different, nomenclature but basically doing the same thing, to upgrade As into what we call A pluses. We took one of those squadrons and deployed it into Iraqi Freedom. They flew combat operations and basically led that air wing with some of the oldest airplanes out there.

But once again, as we heard earlier, some of our great pilots out there are doing great things, and we would not have been able to do it if it hadn't been the support of this committee that got us those kits that upgraded those airplanes. I thank you very much.

STEVEN: That's interesting to know. We appreciate your advice and counsel on these issues.

General Helmy, I know that there's already been some discussion today about whether some units ought to be active duty or whether they should be reservists. But some, I know, medical support, civil affairs have had more than the usual amount of activation and active duty experience. Is this going to cause a disruption that's a problem for Army reservists? Are you going to have a proposal to make about maybe transferring these responsibilities to active duty units? Because these people have been in a perpetual state of affidation (ph), many of them. What's your reaction to that?

HELMY: Senator, a couple facts I'd like to cite, if I may, regarding this issue on the table of overuse. First caution is use is much different than abuse, and in a volunteer force, one can go to the abuse side with an active force, also, and we should be cautious of that.

Admiral Totushek, in his opening remarks, cautioned similarly. I would say that there's concern on all of our parts here. I certainly speak for myself. The solutions put forth to date have dealt with — are too simple.

What we'll do is either we'll grow the end strength of the active component or we'll transfer missions to the active component, which implies some sort of trade off. You transfer civil affairs from some number from the Army Reserve to the active component, and then, in turn, we pick up some of the mission. I do not concur with those.

There were two primary ingredients that went into the Abrams doctrine, and some have described that doctrine as outdated. I would not go down that road so quickly.

One was political, that's the one often alluded to, and that was the desire on the part of General Abrams to ensure that, quote, "We never send the Army to war again without the support of the American people," certainly a valid requirement. But the other one was more pragmatic and businesslike, and that was a recognition that in certain skill sets, it is, in fact, more cost effective to put those into the reserve. We in the Army Reserve are quite proud of our record in such areas as medical support, civil affairs. The issue that we have on the table is that we're structured wrong. We do not have sufficient depth in those capabilities.

General Schultz, in the last panel, spoke to the issue of military police. The reason we have high demand, low density units is that we made a conscious decision to make them at the density level we did.

We are involved in a put forth to the Army leadership. What some would call a radical, I would call it a measured practical but still very strong transformation plan, which proposes to reduce our structure in some levels, units that we have had no use for. And in turn, to stand up additional civil affairs capability, medical capability, transportation, military police, a couple of other specialties that are in the high demand area that we believe we can maintain equally effective, and at reduced costs within the Army Reserve.

We did have, in the past year, about 6,000 spaces, 6,000 soldier positions, authorizations, in the active component that increased in the combat support, service support area. In turn, we in the Army Reserve adjusted slightly by picking up in those high demand areas about 13,000 more authorizations. It's our proposal to go much deeper, and — over the next three to five years.

STEVENS: Thank you very much.

HELMY: Thank you, Mr. Chairman.

STEVENS: We thank you all, gentlemen (ph), and you've got sort of think tanks. I'd urge you to just think about retention incentives and give us some ideas. We're perfectly willing to give you some authority to have pilot projects to try to initiate some changes and test them out right during this period. This would be a good test period on a lot of ideas that might lead us to further retention.

I appreciate your service and you're willingness to be with us today.

We're going to reconvene on May 14 to hear from the secretary of defense.

Thank you very much.

END

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